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Approved by:
Approval date:
Review date:

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Council
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Community Assistance Policy 2009

BACKGROUND

- 1.1 Nelson City Council has been providing assistance to community organisations for many years through a variety of mechanisms such as funding agreements, one-off grants, rates remissions, intermediary loans, and community leases and licences. In 2004 Council developed a Community Assistance Policy as called for in the Social Wellbeing Policy, in order to give direction to the future allocation of community assistance.
- 1.2 The policy formalised the procedures for allocating support to community organisations, basing the allocation of funds on the three significant activity areas of recreation and leisure; culture, heritage and arts; and social development; plus an “other” category. The policy made contracts and one-off grants contestable through a process where applicants compete for a set pool of funds.
- 1.3 The combined value of all forms of community assistance (including community leases) in 2007/08 was over one million dollars. The pool of funding available for community contracts, one-off grants and rates remissions in 2008/09 was \$447,079. This funding is adjusted annually by the rate of inflation.
- 1.4 In 2009 the Community Assistance Policy was reviewed by a Working Party of Councillors and staff. Changes were made to streamline the assessment and approval process and to improve accountability. Categories were removed so that applications competed against each other on the basis of the contribution they made to Council’s community outcomes and how well they met other criteria of the policy.
- 1.5 The revised policy was approved by Council on 25 June 2009 and is scheduled to be reviewed again in 2015. Council may decide to review the policy at any time before then.

2.0 OBJECTIVE

- 2.1 The purpose of this policy is to enable charitable and not-for-profit organisations to contribute towards community outcomes as defined in the Nelson Community Plan.

3.0 TYPES OF COMMUNITY ASSISTANCE

- 3.1 Council provides five types of community assistance. These are outlined in the table below. Council also provides rates remissions to community groups who

own their own land. This is covered in a separate policy but the funding comes from the community assistance budget.

Type	Description
Community Contracts	Community Contracts are awarded for one to four years. There is no specified maximum amount for community contracts.
One-off Grants	Can be for underwriting as well as grants. Grants and underwriting guarantees are for a maximum of \$2,500. These grants must be spent within 12 months of being awarded unless otherwise agreed.
Intermediary loans	Loans obtained by Council on behalf of not-for profit organisations who wish to develop facilities on council land but as they do not own the land cannot offer sufficient security to obtain loans on the open market.
Community leases and licences	Agreements with not-for-profit organisations that rent or occupy Council land and/or buildings.
Rates remissions	These are guided by a separate policy (see appendix 1).

4.0 CRITERIA

1. Only organisations with “Registered charitable entity” status, or that can demonstrate that for tax purposes they are considered “not for profit”, will be eligible for Community Assistance under this policy.
2. Retrospective funding will not be considered.
3. Applications must demonstrate the contribution the project will make to Council’s community outcomes.
4. Preference is for applications that leverage additional funding as demonstrated by documentation of applications lodged with, or offers of funding from other funders.
5. Preference is given for initiatives within Nelson and that benefit Nelson residents.
6. Other factors that will be considered are:
 - The benefit of the project to the community in comparison to the cost to Council.
 - The level to which the wider community will be involved in the project.
 - The past achievements or potential of the organisation.
 - The ability of the organisation to successfully administer the grant/contract and deliver the outcomes.
 - A project’s contribution towards achieving the goals of other Council policies and strategies
7. Organisations can only make one application to each of the two grant categories (contracts and one-offs) per year.
8. One-off grants cannot be used for ongoing expenses and applicants must demonstrate that they have sufficient resources to implement the project.

9. In addition to the criteria set out above, Council may at times choose to focus grants on particular Council priorities. The decision on focus area can be made at two different points. It can be made during the Annual Plan process, to be implemented the following financial year. It can also be made at the conclusion of the grants funding round, to be implemented in the following year's round.

5.0 COMMUNITY CONTRACTS AND ONE-OFF GRANTS

- 5.1 The pool of funding for contracts and one off grants is allocated annually by Council. Between 10 to 20% of funds will be available for one-off grants. Applications are accepted for underwriting of projects as well as grants. A minimum of \$2500 will be available annually for underwriting. The proportion of the underwriting monies not uplifted will return to the underwriting fund to accumulate to a maximum of \$10,000. When the underwriting fund has reached its maximum unused underwriting monies will return to the grant pool.
- 5.2 Staff will assess all applications against the criteria and will prioritise them accordingly within the funds available. The list of prioritised applications will be presented to the Community Services Committee or relevant committee for consideration.

6.0 INTERMEDIARY LOANS

- 6.1 The value of the intermediary loan pool is capped at \$1.5 million. This figure excludes intermediary loans for regional facilities.
- 6.2 The additional criteria for intermediary loans are:
- Only developments on Council-owned land will be eligible.
 - Intermediary loans will be for a maximum of one third of the value of the development.
 - Council will not provide loan guarantees or interest-free loans.
- 6.3 Applications for intermediary loans will be considered for approval by the Community Services Committee or the Governance Committee.

7.0 COMMUNITY LEASES AND LICENCES

- 7.1 Community leases and licences adhere to the following:
- Formal lease agreements shall be required where organisations occupy Council land or buildings.
 - Rent for the exclusive use of Council buildings or land will normally be set at 10% of the market rent for a comparable building or land.
 - Rent for the non-exclusive use of Council buildings or land will normally be set at 5% of the market rent for a comparable building or land.
 - Valuation of land for rental purposes shall be based on the Rateable Value.
- 7.2 Community leases for whole or part of Council owned buildings will be advertised when they are vacated so that all community groups have an opportunity to submit expressions of interest.
- 7.3 Buildings on Council land may be sold, conditional on the building being advertised and the prospective buyer obtaining a Council lease to occupy the land.
- 7.4 Termination of lease. See paragraph 8.2.

7.5 Applications for new community leases and licences will be considered for approval by the Community Services Committee or the Governance Committee using the criteria in paragraph 4 above.

8.0 ACCOUNTABILITY

8.1 All recipients of community assistance will provide periodic accountability reports documenting how their activities have contributed to the objectives for which the assistance was given. The following are the reporting schedules:

- Community Contracts – annual reports
- One-off Grants – within six months of expenditure of funding
- Loans – annual reports
- Leases – annually for leases less than four years, minimum of four times during total lease period for leases over four years

8.2 Recipients that fail to submit accountability reports, or that have not spent the money in accordance with the application/contract, or where the use of the facility/land does not satisfactorily contribute to the community outcome will receive up to two written notices asking them to rectify the situation, and may thereafter be asked to return all or part of the funding or vacate the facility/land if they do not comply. Community contracts will continue or be terminated conditional on receipt of satisfactory reports. Recipients that fail to submit acceptable accountability reports may forfeit their eligibility to receive any Community Assistance in the future.

9.0 RELATIONSHIPS WITH OTHER FUNDERS

9.1 Staff will explore and take advantage of opportunities for information sharing with other funders. Using this information, a directory of funding sources will be produced annually to assist the community in finding support for projects. A copy of the directory will be sent out with all application packs.

10.0 WHAT THIS POLICY DOES NOT COVER

- Council Controlled Organisations such as the Tasman Bays Heritage Trust, Bishop Suter Art Museum, Nelson Tasman Tourism and the Regional Economic Development Agency which are funded separately.
- Council funding for major community initiatives budgeted for separately through Council's community plan/annual plan processes.
- The Youth Development Fund which provides financial support for young people to attend outdoor education courses.
- Financial assistance to achieve resource management objectives such as fencing subsidies and subsidies to change heating methods. These costs are funded by Council's Resource Management activities.
- Nelson City Physical Activity Fund for sports and recreation from the former Hillary Commission.
- Contracts or other commercial arrangements where a not-for-profit organisation is contracted to deliver a service for Council.
- Council support for regional facilities - that is capital projects costing \$500,000 or greater.

- Leases and licences at Founders Heritage Park.
- Council owned motor camps.